



IDAHO SOIL CONSERVATION COMMISSION

Commission Teleconference Wednesday, April 7, 2010

Idaho State Department of Agriculture
2270 Old Penitentiary Road, Boise, Idaho

8:00 a.m. Mountain Daylight Time

APPROVED MINUTES

Idaho Soil Conservation Commission

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Governor

C.L. "Butch" Otter

Commission Members

J. Morgan Evans, Chair
Bill Flory, Vice-chair
Joe Davidson, Secretary
Dwight Horsch
Dick Bronson

Administrator

Sara Schmidt

Commission Members Present:

Morgan Evans
Dick Bronson

Bill Flory
Joe Davidson

Commission Members Absent/Excused:

Dwight Horsch

Commission Staff Present:

Sara Schmidt
Kristin Magruder

Frank Arana

Partners and Guests Present:

Harriet Hensley
Sheila Schwager

1 Meeting was called to order by Chairman J. Morgan Evans at 8:03 a.m.

2
3 Welcome and self-introductions followed. Sheila Schwager, special counsel from Hawley Troxell,
4 was present to discuss pending litigation on the Resource Conservation and Rangeland
5 Development Program (RCRDP).

6 7 Pending RCRDP Litigation

8
9 **Joe Davidson moved to entered Executive Session pursuant to Idaho Code § 67-2345(f) to**
10 **discuss pending RCRDP litigation. Dick Bronson seconded. Roll call vote was taken: all**
11 **voting in the affirmative.**

12
13 Harriet Hensley, Sara Schmidt, Kristin Magruder, Sheila Schwager, and Frank Arana were invited
14 to stay.

15
16 **Moved into Executive Session at 8:06 a.m. to discuss pending RCRDP litigation.**

17
18 **Flory moved to end Executive Session. Davidson seconded. No discussion. Executive**
19 **Session ended at 8:31 a.m.**

20
21 The Commission was briefed by special counsel, Sheila Schwager, on status of pending RCRDP
22 litigation and received legal advice and recommendations moving forward. Mrs. Schwager left the
23 call during Executive Session.

24
25 **Dick Bronson moved to allow Sara Schmidt to collaborate with Sheila Schwager regarding**
26 **pending RCRDP litigation and keep Commissioners briefed on a regular basis. Davidson**
27 **seconded. Discussion followed. Motion passed unanimously.**

28 29 Section 1619 Requirements Review

30
31 Schmidt gave overview of the 2008 Farm Bill Section 1619 privacy requirements and actions taken
32 by the Commission staff to implement requirements within the programs. A training and
33 acknowledgement was required for all Commission staff and measures taken to ensure that
34 landowner and land user information derived from NRCS programs is kept confidential and
35 interactions with conservation partners was appropriate and within guidelines given from the
36 Attorney General's office. Discussion followed about implications of partners not complying with
37 Section 1619 and how to conduct Commission business.

38
39 The Commission has signed the Section 1619 acknowledgement for NRCS and has it on file in the
40 office.

41 42 RCRDP Cash Report

43
44 Schmidt presented the RCRDP cash report to the Commission. NLS and STARS had not been
45 reconciled to date and Schmidt does not recommend accepting the report until reconciliation has
46 occurred with Idaho State Department of Agriculture (ISDA) fiscal office. Arana advised that he
47 visited with the fiscal office this week and there are just a couple of issues to be resolved before
48 reconciliation will be completed.

Schmidt directed Commission to the three-percent (3%) contingency account balance, which is currently at \$237,607. Discussion followed regarding increasing this contingency balance to a higher amount due to the concerns surrounding the economy and the state of the agricultural business within the state.

There are currently six (6) past due loans, which would total approximately \$260,000 if they all defaulted today. Question was posed whether to maintain the contingency balance or increase it. Discussion followed. Uncertainty of the valuations of the current collateral on the existing loans would be sufficient to increase contingency balance. Commissioners believe that agricultural sector will continue to suffer in this economy and will be awhile before the landowners and land users can recover.

Discussion continued about the loan fund balance and the possibility of the legislature sweeping more funds if a cash balance exists. Schmidt advised that it would be the prerogative of the legislature to utilize more funds if necessary. Staff will look at options regarding how the balance is reported and if the contingency is transparent.

Prior direction of the Commission was to set aside 3% of the cash balance as a contingency. Discussion followed about considerations for increasing contingency. Hensley recommended allowing Arana to do some further work with the loan files and come back with a recommendation at the next Commission meeting. Further discussion followed.

Commission staff to make a recommendation regarding the contingency reserve at the May 2010 meeting.

Davidson moved to enter Executive Session to discuss pending RCRDP loan applications pursuant to Idaho Code § 67-2345(d). Flory seconded. Roll call vote was taken, all voting in the affirmative.

Harriet Hensley, Sara Schmidt, Kristin Magruder, and Frank Arana were invited to stay.

Flory moved to end Executive Session pursuant to Idaho Code § 67-2345(d). Davidson seconded. No discussion. Motion passed and Executive Session ended at 9:40 a.m.

RCRDP Pending Loan Applications:

Pending RCRDP loan applications were discussed and deliberations were as follows:

Loan No. 585:

Amount: \$30,600

Term: 4 years

Rate: 3%

Project description: Tractor purchase to pull an air drill and press drill in order to follow the borrower's existing conservation plan.

Flory moved to approved Loan No. 585 as outlined in the Lending Officer Recommendations to include, but not limited to, the Approval Conditions as listed on page C-4 of the loan packet. Bronson seconded. Discussion followed and Hensley recommended stating the purpose of each loan. Two in favor, one opposed. Motion passed.

99
100 Loan No. 587:
101 Amount: \$29,414.85
102 Term: 7 years
103 Rate: 4%
104 Project description: Install pipeline to carry livestock water from source to watering troughs; install
105 a pumping facility and power for pipeline; install well and power source; install cistern
106
107 **Davidson moved to deny Loan No. 587. Clarification of process discussed. Motion died for**
108 **lack of second.**
109
110 **Davidson moved to approve Loan No. 587 as outlined in the Lending Officer**
111 **Recommendation to include, but not limited to, the Approval Conditions as listed on page**
112 **D-2 of the loan packet. Flory seconded. Discussion followed. Arana recommended**
113 **approving loan due to low loan amount and sufficient collateralization. Roll call vote was**
114 **taken, 2 in favor, one opposed – motion passed.**
115
116 Loan No. 586:
117 Amount: \$125,000
118 Term: 7 years
119 Rate: 4%
120 Project Description: Part of a large Bureau of Reclamation project in the Bear River Watershed that
121 involves piping multiple ditches.
122
123 **Bronson moved to table Loan No. 586 until pending issues regarding water rights and**
124 **collateral are resolved. Flory seconded. Discussion followed. Roll call vote taken with all**
125 **voting in the affirmative. Motion passed. Evans requested the issue be brought before the**
126 **Commission as soon as possible to allow the project participants to move along.**
127
128 Schmidt advised that the matrix used for loan applications should be reviewed and updated at a
129 future meeting.
130
131 House Bill 576a is still pending in the Governor's office for signature. The Chairman thanked
132 everyone for their time and involvement.
133
134 **Davidson moved to adjourn the meeting. Bronson seconded. Motion passed unanimously.**
135 **Meeting adjourned at 10:04 a.m.**
136
137 Respectfully submitted,
138
139 Joe Davidson
140 Commissioner and Secretary,
141 Idaho Soil Conservation Commission